

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Ordering Instituting Investigation pursuant to Senate Bill 380 to determine the feasibility of minimizing or eliminating the use of the Aliso Canyon natural gas storage facility located in the County of Los Angeles while still maintaining energy and electric reliability for the region.

Investigation 17-02-002

**COMMENTS OF THE PUBLIC ADVOCATES OFFICE
ON ENERGY DIVISION FINAL PHASE 1 SCENARIOS FRAMEWORK**

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I. INTRODUCTION

Pursuant to the September 14, 2018 Administrative Law Judge's Ruling,¹ the Public Advocates Office at the California Public Utilities Commission (Cal Advocates), formerly known as the Office of Ratepayer Advocates,² hereby submits its opening comments regarding the Energy Division's *Scenarios Framework: Investigation (I.) 17-02-002*.

II. DISCUSSION

The following comments pertain to the Public Advocates Office review of Attachment A, Scenarios Framework I.17-02-002, which was prepared by the California Public Utilities Commission's Energy Division. The Public Advocates Office supports the Commission's plan to undertake hydraulic, economic, and production cost modeling

¹ *Administrative Law Judge's Ruling entering into record Energy Division's Final Phase 1 Scenarios Framework, requesting comment and setting procedure to request Phase 1 evidentiary hearings*, Sept. 14, 2018, p. 2.

² The Office of Ratepayer Advocates was renamed the Public Advocates Office of the Public Utilities Commission pursuant to Senate Bill No. 854, which was signed by the Governor on June 27, 2018 (Chapter 51, Statutes of 2018).

in an effort to analyze the feasibility of minimizing or eliminating the use of the Aliso Canyon natural gas storage facility while ensuring energy and electric reliability in the Southern California region.

After reviewing the Scenarios Framework, the Public Advocates Office offers one recommendation about the assumptions presented related to the reliability standards and curtailment of noncore customers (presented on page 10) for the hydraulic modeling scenario. For the 1-in-10 reliability standards for noncore electric gas load, the Scenarios Framework recommends that no curtailments be allowed. Yet for the 1-in-35 system reliability standard, the Scenarios Framework states that electric gas load should be fully curtailed to zero.³ The Public Advocates Office questions the reasonableness of this assumption to curtail electric gas load to zero under severe systemic conditions. Such conditions may give rise to an event in which the electric generators are needed to support residential customers in heating and/or cooling of homes.

As an alternative, the Public Advocates Office recommends that the 1-in-35 system standard provide for meeting some level of electric generation load under such conditions. For example, the Scenarios Framework could use a curtailment protocol that is more consistent with the curtailment protocol outlined in both San Diego Gas & Electric Company's and Southern California Gas Company's Tariffs 14 and 23, respectively. These tariffs allow for up to 60% of dispatched electric generation load to be curtailed during November through March and up to 40% of dispatched electric generation load to be curtailed from April through October.⁴ By adopting this less stringent curtailment protocol for electric generators, the planning assumptions used in the production cost modeling exercise will be more realistic with meeting the reasonableness requirements under extreme peak system conditions.

³ Scenarios Framework, p. 10.

⁴ Southern California Gas Company Tariff Rule 23, Sheet 2 (http://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_DECISION/21286.PDF) and San Diego Gas & Electric Company Tariff Rule 14, Sheet 3 (http://regarchive.sdge.com/tm2/pdf/GAS_GAS-RULES_GRULE14.pdf).

III. CONCLUSION

For the reasons stated above, the Commission should consider and adopt the Public Advocates Office's recommendation regarding noncore gas load and serving some electric generation load under a 1-in-35 reliability standard for the hydraulic modeling scenario.

Respectfully submitted,

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